# NW Cigarette Tobacco Stores Grid [redacted]

[redacted]

| RJR Vol. Range | Description: Drive Thru | | Description: High Savings | | Description: Self-Service | | Description: Self-Service Enhanced | |
|---|---|---|---|---|---|---|---|---|
| | Drive Thru | | High Savings | | CTS | | CTS Enhanced | |
| | Plan | Rate | Plan | Rate | Plan | Rate | Plan | Rate |
| 80-99 | DTA | $58 | HSA | $87 | CTSA | $174 | CTEHA | $174 |
| 100-140 | DTB | $78 | HSB | $117 | CTSB | $234 | CTEHB | $234 |
| 141-177 | DTC | $103 | HSC | $155 | CTSC | $310 | CTEHC | $310 |
| 178-221 | DTD | $130 | HSD | $186 | CTSD | $371 | CTEHD | $371 |
| 222-279 | DTE | $163 | HSE | $228 | CTSE | $456 | CTEHE | $456 |
| 280-345 | DTF | $203 | HSF | $271 | CTSF | $541 | CTEHF | $541 |
| 346-432 | DTG | $250 | HSG | $303 | CTSG | $606 | CTEHG | $606 |
| 433-540 | DTH | $250 | HSH | $348 | CTSH | $695 | CTEHH | $695 |
| 541-678 | DTI | $250 | HSI | $396 | CTSI | $792 | CTEHI | $792 |
| 679-845 | DTJ | $250 | HSJ | $445 | CTSJ | $891 | CTEHJ | $891 |
| 846-1056 | DTK | $250 | HSK | $474 | CTSK | $947 | CTEHK | $947 |
| 1057+ | DTL | $250 | HSL | $500 | CTSL | $1,000 | CTEHL | $1,000 |

**Enhancement Payment**

Contract Type = NW CTS EH

Plan = MC

Rate = $1-$200 RSM/AE Approval

*Available to CTS Enhanced only

**Region SOM Threshold Table**

Each CTS contract level (except Drive Thru) has a combined full price and branded savings SOM threshold qualifying criteria for each region as follows:

| Region | FP plus BS Threshold % |
|---|---|
| 12, 13, 23, 54, 63 | 94% |
| 11, 16, 21, 22, 26, 28, 58, 62, 66, 67, 69 | 90% |
| 17, 18, 51, 56 | 86% |

*RJR private label and EDLP brands should be factored out of this percentage.
*Input appropriate region threshold number in each contract.
*Outlets that do not reach the region's FP/BS threshold % will be deemed as high savings outlets and can only qualify for our High Savings Contract.

**Partners Resource Plan**

Contract Type = PRP

| Plans | Retailer Qualifies For: | Matches Mkt. Plan |
|---|---|---|
| BASE5 | 5 weeks FP discounting/7 weeks Doral | HS |
| BASE6 | 6 weeks FP discounting with retailer match/7 weeks Doral | HS |
| FULL8 | 8 weeks FP discounting/ongoing Doral discounting | DT, CTS, CTEH |
| FULL9 | 9 weeks FP discounting with retailer match/ongoing Doral discounting | DT, CTS, CTEH |
| BONUS | 10 weeks FP discounting and $.50 per carton extra on 5 weeks FP business/ ongoing Doral discounting | DT, CTS, CTEH |

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Source: https://www.industrydocuments.ucsf.edu/docs/qgbp0000

## NW Carton Meeting Competition [redacted] [redacted]

Retailer represents that its outlets meet the following eligibility criteria:

Cigarettes represent less than 80% of All Commodity Volume (ACV) for inside sales.

- or more total industry volume sold by the carton.
- Minimum of 70 cartons of RJR brands sold per week.
- Distribution of all RJR brands in all price tiers as required.
- Retailers not meeting the above requirements should discuss other available merchandising alternatives with an RJR representative.

**MERCHANDISING/PRESENCE PROGRAM ELEMENTS**

- RJR cartons and packs will be merchandised in a contiguous manner in a highly visible secondary position of a competitor or Retailer supplied self-service or non-self-service fixture.
- Retailer will provide RJR carton waterfall capability for RJR Full Price and RJR Savings Priority Brands if requested.
- RJR will have the ability to effectively promote utilizing a promotional display vehicle approved by RJR.

**ADDITIONAL MERCHANDISING/PRESENCE REQUIREMENTS**

- Retailer will accept and execute RJR promotions with sales to consumers only including, but not limited to: pre-book/order book additional product for delivery prior to scheduled promotion; assemble and place RJR promotional displays/advertising in location(s) highly visible to retail consumers.
- Space and facings for RJR cartons and packs will be equal to RJR Store SOM or RJR Local Segment SOM or 25%, whichever is highest.
- RJR displays and advertising may not be impaired or obstructed from view of consumers by competitive displays or by any other means.
- RJR merchandisers, displays and free standing signage will be lit as designated by RJR.
- RJR will have the ability to effectively communicate all promotional activity to consumers at point-of-purchase.
- RJR's ability to advertise price will be no less than parity with other participating tobacco companies.
- RJR reserves the right for final approval of display and advertising types, sizes and locations. Retailer will maintain display and advertising space according to RJR authorized plan-o-gram with no additional competitive permanent fixtures and displays allowed beyond those illustrated in plan-o-gram. Changes in authorized location of displays and advertising, or effectiveness of location, will not be made without RJR approval.
- Retailer will provide RJR accurate volume information and will authorize supplier(s) to provide volume data to RJR including specific brand information and promotion activity.
- Retailer will: (1) provide space required for RJR distribution needs; (2) maintain adequate inventory of RJR brands, to include new items for a minimum of 6 months, as requested by RJR; and (3) permit RJR to make reasonable audits of performance and to inspect and rotate RJR products.
- Retailer will permit RJR to affix permanent RJR advertising to display and merchandiser space utilized by RJR under this Agreement. Retailer will not permit additional advertising of any kind, including advertising for Retailer's own products, to be affixed to RJR merchandising space utilized under this Agreement.

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- Retailer will not restrict RJR's ability to display, promote or distribute RJR brands and compete equally with other tobacco companies in all areas at retail.
- If legislation or government regulation restricts point-of-sale advertising, RJR will be given the % or number of advertising pieces permitted by law.
- Retailer will not sell or distribute product not intended for domestic sale.
- Other_____
- Retailer agrees to perform the requirements set forth above. Failure to satisfy requirements will result in forfeiture of monthly payment(s) until compliance is achieved or may result in termination of this Agreement.
- Either party can terminate this Agreement upon thirty (30) days notice to the other party. In the event Retailer fails to comply with the requirements of this Agreement, RJR may terminate this Agreement immediately upon notification to the Retailer.

**MERCHANDISING/PRESENCE PAYMENT**

- RJR volume will be determined by the average weekly sales of all RJR brands during the most recent 3-month period. RJR will pay qualifying retailer $_____ per month for performance of all requirements described in this Agreement.
- R.J.Reynolds Tobacco Company will make payments by check as soon as practicable after the end of each calendar quarter. Payments will be made for stores rendering full performance during a quarter, and on a pro rata basis for stores rendering performance for less than one full quarter, but more than one calendar month. Retailer will not deduct amounts due under contract from invoices due RJR.

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